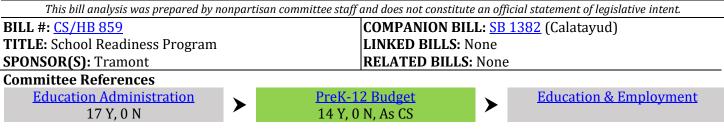
FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS



SUMMARY

Effect of the Bill:

The bill revises the definition of "economically disadvantaged" by replacing "income that does not exceed 150 percent of the federal poverty level" with "income that does not exceed the greater of either 50 percent of the state median income or 150 percent of the federal poverty" for families seeking school readiness (SR) services. The bill modifies various references to the SR waitlists that require the tracking of children on waitlists by family income and priority. The bill modifies the data collected by the Department of Education to reflect the change in definition related to income. Finally, the bill requires estimates adopted by the Early Learning Programs Estimating Conference to consider county specific trends and changes.

Fiscal or Economic Impact:

The bill has a negative fiscal impact on state government as a result of the new definition of "economically disadvantaged".

Contingent upon the bill's passage, anticipated fiscal impacts incurred by the state as a result of implementing the bill will be addressed through the appropriations process and reflected in the General Appropriations Act.

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ANALYSIS				

EFFECT OF THE BILL:

The bill modifies the definition of "economically disadvantaged" used for determining eligibility for the <u>School</u> <u>Readiness (SR) program.</u>¹ The bill changes the <u>threshold</u> for "economically disadvantaged" from families with an income that does not exceed "150 percent of the federal poverty level" to "the greater of either 50 percent of the state median income or 150 percent of the federal poverty level." This change means that more families will meet the definition of "economically disadvantaged" than under the current definition. By some estimates adopting the change in the eligibility requirement will allow an additional 17,073 children may be <u>eligible</u> for SR services.² (Section <u>1</u>).

The bill modifies sections of statute to require that the <u>uniform waitlists</u> that track children waiting for SR services be based on family household income and by the priorities specified in Florida law.³ (Sections <u>1</u>, <u>2</u>, <u>3</u>, <u>4</u>,)

The bill requires that the data collected from Early Learning Coalitions (ELCs) by the Department of Education (DOE) reflect the change in the definition of "economically disadvantaged" using state median income instead of federal poverty levels.⁴ (Section <u>4</u>).

¹ Section <u>1002.81(6)</u>, F.S.

² PreK-12 Budget Subcommittee, 2025-26 SR Fiscal Calculator (April 8, 2025).

³ Sections <u>1002.81(13)</u>, <u>1002.82(2)</u>, <u>1002.84(2)</u>, <u>1002.85(2)</u>, and <u>1002.87(1)</u>, F.S.

⁴ Section <u>1002.85(5)</u>, F.S.

The bill requires that the data for the total number of unweighted full-time equivalent SR children that is adopted by the Early Learning Program Estimating conference must consider the historical trend of children served and population changes for each county.⁵ (Section <u>5</u>).

The effective date of the bill is July 1, 2025. (Section <u>6</u>).

RULEMAKING:

Current law requires the State Board of Education (SBE) to adopt rules regarding SR program plans and services. The bill modifies provisions of law already under the SBE's rulemaking authority, thus allowing the SBE to make rules to implement the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The transition from 150 percent of the federal poverty level to the greater of either 50 percent of the state median income or 150 percent of the federal poverty will increase the number of eligible SR children who will qualify for SR services by an estimated 17,073 for Fiscal Year 2025-2026. The number of actual SR children served is based on the annual appropriation provided in the General Appropriations Act. Applying the current participation rate to the estimated number of new SR children based upon the change in the eligibility requirement, the estimated cost is \$16,712,394. Absent additional funds being appropriated, the number of SR children served is unlikely to increase, potentially resulting in a corresponding increase to an ELC's SR waitlist.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

School Readiness Program Overview

Florida's SR program offers low-income families financial assistance to facilitate access to high-quality child care and early education for their children while parents work or participate in job training. The Division of Early Learning (DEL), under the DOE, administers the program at the state level while ELCs administer the SR program at the county and regional levels. Funding comes from four sources including, the Child Care and Development Block Grant, the Temporary Assistance for Needy Families Block Grant, the Social Services Block Grant, and the State of Florida.⁶

The program's two main goals are to help families become financially self-sufficient and help each child from a qualifying family develop school readiness skills. The program gives children access to a quality early learning environment and supports parents with information about child development and family engagement. The quality environment of each SR provider is measured by the administration of a widely recognized tool that assesses the interactions between adults and children in the classroom.⁷

In fiscal year 2022-2023, there were 212,062 children participating in the SR program at 6,889 early learning providers. Total expenditures were \$990 million, which included \$36 million in administrative expenses, \$59 million in non-direct services expenditures, and \$80 million in quality expenditures.⁸

⁵ Section <u>1002.89(1), F.S.</u>

⁶ Florida Department of Education, *Division of Early Learning 2023-2024 Annual Report* (2024), *available at* <u>DEL Annual Report</u> <u>2023-2024</u>.

⁷ Florida Department of Education, *Division of Early Learning 2023-2024 Annual Report* (2024), *available at* <u>DEL Annual</u> <u>Report 2023-2024</u>.

⁸ <u>Id.</u>

School Readiness Eligibility and Priorities

Florida statute defines "economically disadvantaged" as having a family income that does not exceed 150 percent of the federal poverty level and includes being a child of a working migratory family⁹ or an agricultural worker who is employed by more than one agricultural employer during the course of a year, and whose income varies according to weather conditions and market stability.¹⁰ The definition is used to determine eligibility for and priority status in the SR program.

According to the 2023 Poverty Guidelines Computations from the U.S. Department of Health and Human Services, for a family of three the federal poverty level was \$24,860 per year. This means a family of three would need to earn \$37,290 or less per year to not exceed the 150 percent threshold for "economically disadvantaged."¹¹ For comparison, the 2023 State Median Income (SMI) for Florida was \$71,771, meaning a family would need to earn \$46,651.15 or less to not exceed 65 percent of the state median income.¹²

Each ELC is required to give priority to receive services under the SR program as follows:¹³

- Children under the age of 13 from a family that includes a parent who is receiving temporary cash assistance and is subject to the federal work requirements or a parent who has an Intensive Service Account or an Individual Training Account.
- An at-risk child younger than 9 years of age.
- Subsequent priority is given based on the ELC's local priorities to children who meet the following criteria:¹⁴
 - A child from birth to the beginning of the school year for which the child is eligible for admission to kindergarten in a public school who is from a working family that is economically disadvantaged.
 - A child of a parent who transitions from the work program into employment from birth to the beginning of the school year for which the child is eligible for admission to kindergarten.
 - An at-risk child who is at least 9 years of age but younger than 13 years of age, however an at-risk child whose sibling is enrolled in the school readiness program within a specific eligibility priority category shall be given priority over other children who are eligible.
 - A child who is younger than 13 years of age from a working family that is economically disadvantaged.
 - A child of a parent who transitions from the work program into employment who is younger than 13 years of age.
 - A child who has special needs and has been determined eligible as a student with a disability who has a current individual education plan (IEP) with a Florida school district and is not younger than 3 years of age.
 - A child who otherwise meets one of the first two eligibility criteria but who is also enrolled concurrently in the federal Head Start Program and the Voluntary Prekindergarten Education Program (VPK).

School Readiness Waitlists

During fiscal year 2023-2024, there were 117,981 SR enrollments of children aged birth to four years of age compared to an estimated population of 357,199 children aged birth to four years of age from families below 150 percent of the federal poverty level, meaning statewide only 33 percent of children below this threshold were served by the SR program.¹⁵ The percentages varied by ELC from a low of 19 percent of children served by the Santa Rosa ELC to a high of 48 percent served by the ELC of the Big Bend.¹⁶

¹³ Section <u>1002.87(1), F.S.</u>

⁹ See 34 C.F.R. s. 200.81(d) or (f).

¹⁰ Section <u>1002.81(6), F.S.</u>

¹¹ U.S. Department of Health and Human Services, *2023 Poverty Guidelines Computations*, <u>2023 Poverty Guidelines</u> <u>Computations | ASPE</u> (last visited Mar. 18, 2025).

¹² Florida Department of Health, *2023 Median Household Income*, <u>Median Household Income</u> (Census ACS) - FL Health CHARTS (last visited Mar. 18, 2025).

¹⁴ Section <u>1002.87(1)(c), F.S.</u>

¹⁵ Florida Department of Education, *Division of Early Learning 2023-2024 Annual Report* (2024), *available at* <u>DEL Annual</u> <u>Report 2023-2024</u>.

¹⁶ <u>Id.</u>

Since not all eligible children are served by the SR program, there are waitlists to organize those waiting for services. Florida law requires that the "single point of entry" system where families apply for services for both SR and VPK programs utilize a uniform waitlist to track eligible children waiting for enrollment into the SR program.¹⁷ The DOE is required to adopt specific program support services that include a single point of entry and a uniform waitlist for the SR program.¹⁸

Each ELC is required to establish a uniform waitlist to track eligible children waiting for enrollment in the SR program.¹⁹ The SBE has adopted a rule to provide guidelines to the ELCs on development of waitlists for families seeking services.²⁰ The adopted rules provide guidance for the following:²¹

- Definitions of terms.
- Prequalifying questions and applications for services.
- Eligibility Screening.
- Waitlist management.
- Reapplication for services after removal from waitlist.

As part of each ELC's SR program plan, the ELC is required to include procedures for implementing the requirement for a uniform waitlist for SR services.²² Additionally ELCs are required to collect and report data to the DOE about SR program delivery, including:²³

- Progress in reducing the number of children on waitlists.
- The percentage of children served as compared to the number of administrative staff and overhead.
- The percentage of children served compared to the number of children under the age of five from families below 150 percent of the federal poverty level.
- Provider payment processes and fraud intervention.
- Child attendance and stability.
- Use of Child Care Resource and Referral (CCR&R) services.
- Child outcomes related to school readiness.

School Readiness Funding

Each ELC is required to establish a parent sliding fee scale that provides for a parent copayment that is not a barrier to families receiving SR program services. Coalitions may waive copayments for at-risk children or temporarily waive the copayment for children whose family income is at or below the federal poverty level. Coalitions may also waive copayments for a child whose family experiences a natural disaster or an event that limits the parent's ability to pay including:²⁴

- Incarceration;
- Placement in residential treatment;
- Becoming homeless;
- An emergency situation such as a household fire or burglary; or
- While the parent is participating in parenting classes or participating in an Early Head Start program or Head Start Program.

A parent may not transfer SR program services to another SR program provider until the parent has submitted documentation from the current provider to the ELC stating that the parent has satisfactorily fulfilled the copayment obligation.²⁵

- ²⁰ Rule 6A-4.300, F.A.C.
- ²¹ *Id.*

²⁵ *Id.*

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¹⁷ Section <u>1002.81(13), F.S.</u>

¹⁸ Section <u>1002.82(2)(f), F.S.</u>

¹⁹ Section <u>1002.84(2), F.S.</u>

²² Section <u>1002.85(2), F.S.</u>

²³ Section <u>1002.85(5)</u>, F.S. ²⁴ Section <u>1002.84(9)</u>, F.S.

Each ELC is required to distribute the SR program funds as allocated in the GAA to eligible providers. All instructions to ELCs for distributing the SR program funds to eligible providers come from the DOE in accordance with the policies of the Legislature.²⁶

Costs for the SR program must be kept to the minimum necessary for the efficient and effective administration of the SR program, with the highest priority of expenditure being direct services for eligible children. No more than 5 percent of the funds allocated in the GAA may be used for administrative costs and no more than 22 percent of the funds allocated may be used in any fiscal year for any combination of administrative costs, quality activities, and non-direct services.²⁷

OTHER RESOURCES:

School Readiness Program Fact Sheet- House Education & Employment Committee

BILL HISTORY							
COMMITTEE REFERENCE Education Administration	ACTION 17 Y, 0 N	DATE 3/27/2025	STAFF DIRECTOR/ POLICY CHIEF Sleap	ANALYSIS PREPARED BY Blalock			
<u>Subcommittee</u> <u>PreK-12 Budget Subcommittee</u>	14 Y, 0 N, As CS	4/14/2025	Potvin	Bailey			
THE CHANGES ADOPTED BY THE COMMITTEE: Education & Employment <u>Committee</u>	 Amended to change the income threshold eligibility requirement to the greater of either 50 percent of the state median income or 150 percent of the federal poverty level. Deleted section 5 of the bill which modified the priorities for children from economically disadvantaged families by separating the first subsequent priority group into two groups based on income. This section is no longer needed with the amended change to the income threshold eligibility requirement. 						

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

²⁶ Section <u>1002.84(17), F.S.</u>

²⁷ Section <u>1002.89(4), F.S.</u>